



DIRECTORATE OF
INTELLIGENCE

Central Intelligence Bulletin

Secret
41

State Dept. review completed

2 December 1970

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Approved For Release 2003/09/26 : CIA-RDP79T00975A017700040001-1

Approved For Release 2003/09/26 : CIA-RDP79T00975A017700040001-1

SECRET

No. 0288/70
2 December 1970

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UN-GUINEA: [The Western powers will face a troublesome situation when the Security Council resumes consideration--possibly on Friday--of the recent attack on Conakry.]

[Statements by members of the fact-finding mission sent to Guinea by the Council indicate that the mission's report will stress Portuguese involvement in the raid. According to these statements, the attack force numbered from 350 to 500 men and consisted of two companies of regular Portuguese troops augmented by a special commando group and about 80 Guinean dissidents. Although white Portuguese were said to have taken part in the landing, all of the estimated 60 prisoners held by Guinea are black.]

[The African delegate wants the "political conclusions" of the report to include a finding that Portugal was guilty of aggression as defined by the UN charter. Such language would be designed to support African insistence that the Security Council impose mandatory sanctions on Portugal.]

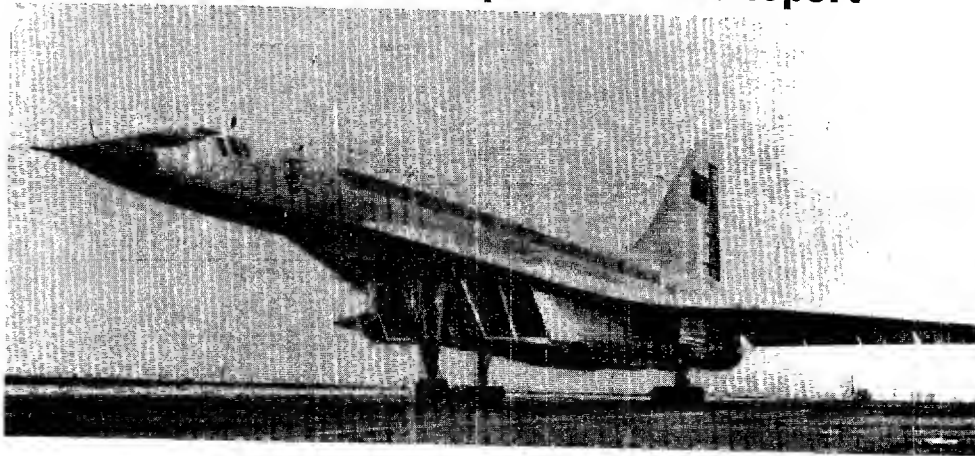
[Although the Africans do not have sufficient support for such extreme measures, the Western powers will nevertheless find themselves faced with renewed demands that all states, and especially Portugal's NATO allies, refrain from rendering any assistance to Lisbon that could be used against either independent African states or indigenous groups fighting Portugal's colonial administration. A resolution along these lines would probably garner at least the requisite nine votes for adoption. Allegations that the US has furnished arms and technical training in guerrilla warfare to Portugal will form a significant part of the Africans' case.]

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Soviet TU-144 Supersonic Transport



Length..... 190 feet
Wing span..... 92 feet
Cruising speed..... 1,260 knots
Maximum payload..... 20,000 pounds
Range (with 20,000 lb. load)..... approx. 2,000 NM



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USSR: The Soviets reportedly are planning a larger version of their TU-144 supersonic transport as the production model of the aircraft.

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Soviet dissatisfaction with certain capabilities of the TU-144 prototype now being tested became evident about a year ago when the then minister of civil aviation, Y. F. Loginov, commented that his ministry was interested in a longer-range SST with a payload of at least 160 passengers instead of the current prototype's accommodation of about 120.

Enlargement of the TU-144 could be achieved by increasing the wing area slightly and lengthening the fuselage by 10-12 feet. The first Soviet supersonic transport is expected to enter operational service about 1973-74.

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ROMANIA: Party chief Ceausescu has announced a series of new measures to implement previously stated policies that were designed to increase production and raise efficiency in the lagging agricultural sector.

The regime had previously announced that it intended to expand significantly its agricultural investments during the coming five years in the hope of increasing output and lowering the per-unit costs of production. Little headway appears to have been made thus far, however, and these new measures indicate that the government will not continue to tolerate irrational use of investment funds.

One of the major aims of the program is to forge closer links between the more technically sophisticated state farms, which occupy only one tenth of arable land, and the backward cooperatives, which farm most of the remaining land area. Inter-cooperative councils are to be organized and will be tasked with coordinating production activities among member cooperatives. This presumably will enable them to increase farm production specialization and to provide for better use of the limited number of technical personnel.

Agricultural machinery enterprises will be more closely linked with the collective farms. Remuneration of workers from these enterprises will now be related to production increases of the cooperatives on which they operate. It is anticipated that these workers, along with the machinery, will eventually be absorbed into the cooperatives.

Although these measures call for a reduced role for the Ministry of Agriculture in day-to-day production activities, central government surveillance over the agricultural sector will be increased. Specialists with broad powers to oversee operations will be assigned by the government to the cooperatives. Ceausescu can be expected to keep the pressure on the Ministry of Agriculture to implement these measures, which may take several years.

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MEXICO: The cabinet appointed by newly installed President Luis Echeverria reflects his own high standards and further enhances the outlook for good relations with the US.

Exceptionally well qualified men have been appointed to deal with Mexico's most difficult problem-- rural poverty [REDACTED]

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[REDACTED] The agriculture secretary, for example, has held political office in Chihuahua State, one of the most important agricultural regions. He is also a rancher and cattleman. The head of agrarian affairs, Augusto Gomez Villanueva, is a young lawyer who headed the powerful national peasants' confederation, the rural arm of the government party.

The new minister of education, whose policies might affect the still explosive student situation, is a highly respected educator. Two of Echeverria's close colleagues, Mario Moya Palencia and Rafael Hernandez Ochoa, have been given the two ministries identified as stepping stones to the presidency-- interior and labor.

In the ministries heavily involved with US-Mexican relations there does not appear to be even a token "anti-Yankee." Foreign affairs is headed by the current ambassador to the US, Emilio Rabasa, who is a close friend of the President. Among the ministers concerned with trade, commerce, and banking is former ambassador to the US, Hugo Margain. The one holdover minister is Attorney General Sanchez Vargas, who has worked closely with his US counterpart in the fight to control dangerous drugs. [REDACTED]

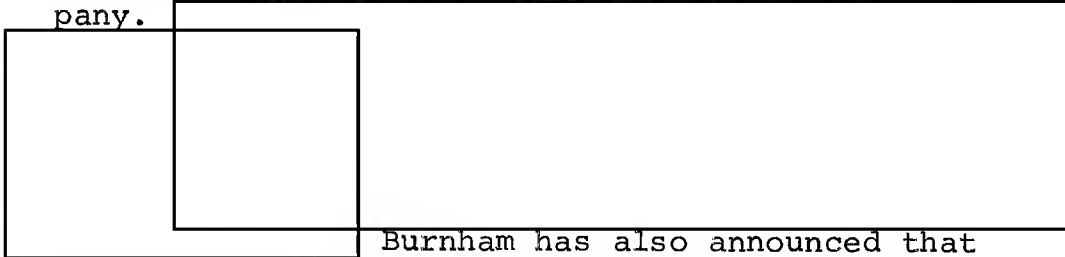
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GUYANA: Prime Minister Burnham and representatives of a large Canadian bauxite company appear on a collision course over the government's intention to secure control over the industry.

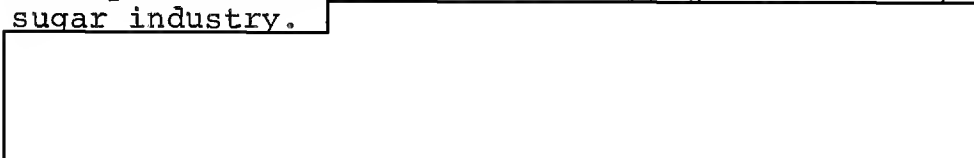
Burnham has publicly announced that negotiations would begin on 7 December with the Demerara Bauxite Company, a subsidiary of the Aluminum Company of Canada (ALCAN), regarding the government's plans to secure a controlling interest in the company.



Burnham has also announced that similar negotiations would take place at a later date with the US-owned Reynolds Aluminum Company.

ALCAN representatives charge that Guyana intends to make a radical change in the bauxite arrangements unilaterally, but they will still go to the meeting on 7 December. In an attempt to improve its bargaining position, the company has made it known that it believes it can find alternative sources of bauxite, presumably from Australia.

Given the adamant stand of both parties thus far, the negotiations promise to be drawn out and acrimonious. Moreover, if they are protracted or unsuccessful, they will have an adverse effect on the Guyanese economy, which already has suffered this year from frequent work stoppages in the key sugar industry.



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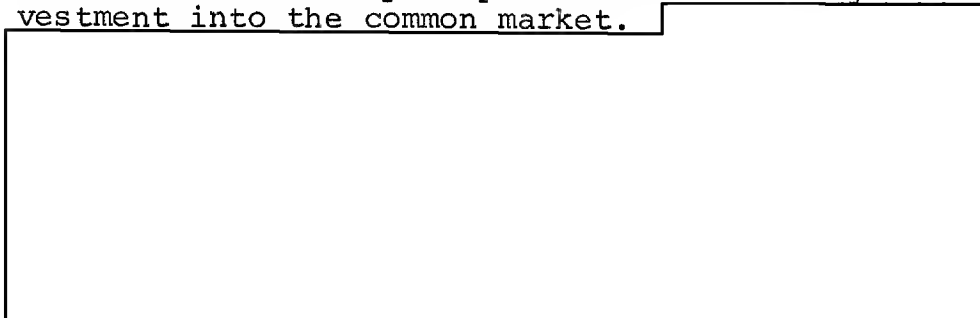
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ANDEAN COMMON MARKET: A draft code restricting foreign investment has split the five members of this regional economic grouping. Chile and Peru favor adoption, and Bolivia is leaning toward support. Ecuador and Colombia oppose it in its present form. Venezuela, which has been considering joining the grouping, would be likely to decide against membership if the present code is adopted. The president of the Atlantic Development Community Group for Latin America, a multinational private investment company, has said that he fears that the draft code would virtually stop the flow of foreign investment into the common market.

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